Czech Republic
MINISTRY OF FINANCE
Letenská 15, PO Box 77
118 10 Prague 1
Tel.: 257042590 Fax: 57042609 ID: 00006947

Prague, 21. 10. 2014
Ref.: MF-69951/2014/9001/T

Re: Call to negotiate in a negotiated procedure without publication for an above-the-threshold public contract pursuant to the provisions of Section 23(4)(b) of Act No 137/2006, on public procurement, as amended (hereinafter the "Act")

Official: Jitka Thámová
Annexes:
1. Draft agency agreement
2. Rules of Procedure

Zeiler.Partners
Stubenbastei 2
Entrance Zedlitzgasse 7
A-1010 Vienna

Pursuant to the provisions of Section 34(1) of the Act the Contracting Authority will notify more than one invited candidate of its intention to make a public contract in the following award procedure:

"Legal Services"

I. Information about the subject of the public contract

The subject of performance of the contract is the provision of legal services in an investment arbitration dispute with a British company A11Y LTD.

On 30 May 2014 the Ministry of Finance of the Czech Republic received a Notice of Dispute between A11Y LTD. seated 6 Bexley Square, Salford, Manchester, United Kingdom, M3 6BZ, pursuant to the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Czech and Slovak Federal Republic for the Promotion and Protection of Investments (**Treaty**). A11Y is represented by law firm Sekanina Legal. All attempts for amicable settlement of the dispute between the investor and Ministry of Finance of the Czech Republic were unsuccessful.

On 13 October 2014 the Ministry of Finance of the Czech Republic received a Notice of Arbitration under UNCITRAL Arbitration Rules 2010 and pursuant to Article 8(2)(a) of the Treaty submitted by A11Y LTD. as Claimant against the Czech Republic as Respondent. Claimant appointed Stanimir Alexandrov as an arbitrator.

A11Y LTD. has been doing business in the Czech Republic through its Czech branch, A11Y LTD. – organizační složka CZ. Mr. Jan Buchal is a statutory authority – director of the Czech branch. In January 2013 the Czech branch took over business activities of the Czech company BRAILCOM, o.p.s., which in 2012 started offering complex aids/solutions in the field of assistive technologies for blind and visually handicapped persons.

The Claimant alleges that the Czech Republic has breached its Treaty obligations, in particular Article 2(2) of the Treaty (fair and equitable treatment and the obligation to refrain from unreasonable or discriminatory measures) and therefore has caused damages to the Claimant.

The Claimant alleges in particular that employees of regional offices of the Labour Office were disclosing information to other competitors about composition of particular individualized medical aids composed of individual components including their pricing. This allegedly damaged its business in the Czech Republic and to its know-how.

The Claimant argues that its goodwill and reputation gained from its legal predecessor BRAILCOM, o.p.s. had been damaged and this purportedly caused a downturn in number of its clients at the end of the year 2013 and during the year 2014. The Claimant alleges that the main causes of the A11Y LTD.'s damaged reputation were) i) public statement of the spokeswomen of the Directorate General of Labour Office on the Czech Television in January 2014, and (ii) a release of confidential information about A11Y LTD. to its potential customers by employees of regional offices of the Labour Office who allegedly attempted to discourage Claimant's potential customers.

A11Y LTD. alleges that due to the breach of the Treaty by the Czech Republic it suffered losses and requests following relief i) a declaration that the Czech Republic has breached the Treaty, in particular Article 2(2) of the Treaty which guarantees fair and equitable treatment; ii) a declaration that the Czech Republic has breached the Treaty, in particular Article 2(2) of the Treaty which guarantees the obligation of the Respondent to refrain from unreasonable or discriminatory measures; iii) compensation of lost profits caused by the Czech Republic's breaches of the Treaty in a total amount currently estimated to be not less than CZK 100,000,000; iv) compensation for the loss of opportunity in relation to its Optimized User Interface project in total amount currently estimated to be not less than USD 35,000,000; v) interest on the compensation awarded to the Claimant and vi) an order that the Czech Republic pay the cost of the arbitration proceedings including the costs of the Tribunal and the legal and other costs incurred by the Claimant on a full indemnity basis.

Specification of the public contract: services
Classification of the subject of the public contract: CPV: 79100000-5 Legal services

Date and place of performance of the public contract

a) Date of performance: for an unspecified period of time from the day the contract enters into force
b) Place of performance: Czech Republic, or the place of the seat of the candidate or the place of the arbitral proceedings

The conditions for the performance of the contract will be arranged with an invited candidate may be changed compared to the conditions indicated in the written Call to Negotiate as part of the negotiation. Pursuant to Section 34(4) of the Act, within the framework of the negotiation the Contracting Authority is also authorised to agree with the called interested parties other conditions for the performance of the public contract than were indicated in the Call to Negotiate or in the tender documentation. However, any alteration of the conditions for the performance of a public contract shall continue to meet the assumptions for the use of negotiated procedure without publication pursuant to Section 23 of the Act.

II. Identification data of the Contracting Authority

Name: Czech Republic – Ministry of Finance
Registered office: Letenská 15, Prague 1
Postcode: 118 10
ID number: 00006947
Tax ID number: CZ00006947
First name and surname of the person authorised to negotiate: Mgr. et Mgr. Petr Horáček, Director of Section 02

III. Tender documentation

a) The business terms, including payment conditions, the method of preparation of the bid price, potentially also the objective conditions under which it is possible to exceed the bid price

An agency agreement for the provision of legal services will be concluded with the candidate whose bid is selected as the most advantageous.

A draft agency agreement (for information) is provided in Annex 1 to this call.

b) Requirements for bid proposals

The Contracting Authority will not permit any bid proposals.

c) Requirement for the method of preparation of the bid price

The bid price will be proposed in CZK without VAT:

1) The bid price for the monthly services provided in accordance with the Agreement attached in Annex 1 to this call.

2) The hourly rates shall be determined for:
   a) partners
      i) foreign
      ii) local
   b) attorneys and/or senior foreign legal consultants,
      i) foreign
      ii) local
   c) advocate trainees[1].
      i) foreign
      ii) local

The hourly rates determined for the persons specified above may be set differently for the persons providing the services pursuant to the Agreement as attached in Annex No. 1 that are based in the following jurisdictions – France, Canada, Germany, Austria, the United States of America, the United Kingdom and for the persons providing the services in other jurisdictions, including the Czech Republic. The hourly rates for persons providing the services in foreign jurisdictions specified above shall not be inferior to the ones set for local providers.

d) Method for evaluation of bids according to evaluation criteria

Pursuant to Section 78(1) (b) of the Act the basic evaluation criterion is the lowest bid price.

Component evaluation criteria:

1. Monthly financial limit in CZK without VAT for the provision of monthly services during the time of the dispute pursuant to the Agreement attached in Annex 1 – weighting 30 %
2. Hourly rates in CZK without VAT:
   a) partners
      i) foreign ……..weighting 15 %
      ii) local……...weighting 15 %
   b) attorneys and senior foreign legal consultants
      i) foreign ……..weighting 10 %
      ii) local……weighting 10 %
   c) advocate trainees, legal assistants and interns
      i) foreign…….weighting 10 %
      ii) local……weighting 10 %

Evaluation method:

[1] The Agreement attached in Annex 1 contains a provision with regard to hourly rates of advocate trainees, legal assistants and trainees specifying that in case a person working as an advocate trainee, legal assistant or intern has not yet concluded its legal studies (has not yet obtained a law degree), the amount billed for the services of this person is diminished by 70 % of the hourly rate.

The bid with the lowest bid price is given a value of 100 points, other bids are given the point value which will be the result of multiplication of 100 and the ratio of the lowest proposed bid price to the proposed price of the evaluated proposal multiplied by the percentage weight.
On the basis of these sub-criteria, calculations to determine the final sum of the points received will be made. The lowest bid price receives the highest number of points.

IV. Place, date and time of the first session, including an indication of the language the session will be held in

The session with the Contracting Authority, represented by Mgr. et Mgr. Petr Horáček (tel. +420257042533), will take place in the premises of the Ministry of Finance, Letenská 15, 118 10 Prague 1, on **24 October 2014 at 9:00 a.m.**
The participants will meet at 8:55 a.m. at reception of the Ministry of Finance at Letenská 15, 118 10 Praha 1.
The subject of the indicated public contract will be discussed in the Czech or English language.

V. Method and principles of negotiation with more than one candidate

Pursuant to Section 34(2)(e) of the Act, the method and principles of negotiation are contained in the Rules of Procedure, which form Annex 2 to this call.

VI. Date of the last possible meeting, in particular taking into account the deadline for the submission of bids

The date of the last possible meeting with a person authorised to act in the name of the Contracting Authority on the basis of prior agreement is 24 October 2014 at the place indicated above.

VII. Content, deadline and place for submission of bids

A. A bid will be submitted in Czech or English in one sample.
   A bid must include:
   1. Identification details of the candidate
   2. A contract offer signed by the person authorised to act for or on behalf of the candidate
   3. The proposed price
   4. Documents pursuant to Section 68(3) of the Act, e.g.:
      a) A list of statutory bodies or members of statutory bodies who were in an employment, functional or similar relationship with the contracting authority within the previous 3 years from the end of the deadline for the submission of bids,
      b) If the supplier is a joint-stock company, a list of the owners of shares whose total nominal value exceeds 10% of the registered capital, prepared within the deadline for the submission of bids,
      c) A declaration by the candidate that it has not concluded and will not conclude a banned agreement pursuant to a special legal regulation in connection with the tendered public contract.

B. A bid in a properly sealed envelope featuring the business name or the name and address of the candidate and labelled on the front "Veřejná zakázka – NEOTEVÍRAT – Právní zastupování České republiky – SO 9001/T" will be delivered in person at the mail room at the address of the contracting authority: Česká republika – Ministerstvo financí, Letenská 15, P.O.BOX 77, 118 10 Praha 1 on 24. 10. 2014. The hour of the handover will be specified during the sessions.

C. The opening of the envelopes with bids will be held on 24. 10. 2014 in the premises of the Ministry of Finance at Letenská 15, 118 10, Praha 1. The hour of the opening will be specified during the sessions.

Note
A bid will be prepared during negotiation pursuant to the documents and information provided by the Contracting Authority (see point 4.5 of the Annex No. 2 – Rules of Procedure). Representative

of the candidate must be authorised for a modification of a bid price or for modifications of data required in the Call or in the Draft Agency Agreement.

VIII. Qualification compliance

Pursuant to Section 51(3) of the Act, compliance with qualifications shall not be demonstrated in negotiated procedure without publication in respect of cases referred to in Section 23(4)(b).

IX. Award period

Pursuant to Section 43(2) of the Act the award period is stipulated as 60 days.

X. Cancellation of the award procedure (pursuant to Section 84(4) of the Act)

The Contracting Authority is authorised to cancel the public tender before the date of conclusion of an agreement.

RNDr. Lenka Betincová

Digitálně podepsal RNDr. Lenka Betincová
DN: c=CZ, cn=RNDr. Lenka Betincová, o=Česká republika - Ministerstvo financí, ou=14936, ou=Letenská 15, 118 10 PRAHA 1, ou=Ministerstvo financí, title=Ředitel sekce, serialNumber=ICA - 10320028
Datum: 2014.10.22 15:44:28 +02'00'

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Contracting Authority
RNDr. Lenka Betincová
Section Director – Cabinet and Administration

Annex 1

Agreement to Provide Legal Services

concluded pursuant to provisions of Section 2430 and subsequent of Act No 89/2012, the Civil Code, as amended

between the following Contracting Parties

(identification of the law firm),

as the first Contracting Party (hereinafter the "**Law Firm**")

and

Czech Republic – Ministry of Finance, Letenská 15, Prague 1, 118 10, ID No: 00006947, Tax ID No: CZ00006947, acting through, Minister of Finance,

as the second Contracting Party (hereinafter the "**Mandator**")

Article 1. Subject of the Agreement

1.1 The Law Firm hereby agrees to provide legal services to the Mandator comprising of the representation of the Czech Republic in arbitration and related proceedings and during the settlement negotiations between the Czech Republic and the company A11Y LTD. pursuant to the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Czech and Slovak Federal Republic for the Promotion and Protection of Investments, signed on 10 July 1990, which came into force on 26 October 1992 (hereinafter the "**Dispute**").

1.2 The legal services will be provided until the end of the Dispute through conciliation or a final and conclusive judgment, or a different final and conclusive resolution of the Dispute, including potential execution proceedings.

1.3 The representation in the Dispute indicated in Article 1.1 is also understood to mean the provision of legal services connected with this representation.

Article 2. Scope of legal services

2.1. For the purpose of providing the legal services the Law Firm will assign a sufficient number of its partners, attorneys and/or senior foreign legal consultants[2] who, during the performance of the subject of the Agreement, may also use the work of advocate trainees, legal assistants and interns to ensure that the requirements of the Mandator are always complied with in a timely manner and to the appropriate level of quality. The following partners, attorneys and/or senior foreign legal consultants in particular will participate in this case for the Law Firm: ……, while ……. will be the partner/attorney responsible for the provision of legal services pursuant to Articles 2.2 to 2.4 of this Agreement.

2.2. The Law Firm will ensure that the overall management of the Dispute will be covered by a single partner/attorney or senior foreign legal consultant, responsible for the provision of the legal services (hereinafter the "Leading Counsel").

2.3. The Leading Counsel will be the leader of the team of lawyers of the Law Firm for the duration of the provision of the legal services by the Law Firm pursuant to this Agreement. The Leading Counsel will participate in the preparation of all submissions relating to the Dispute (defence, statement for the defence, rebuttal and so on), in the representation of the Mandator during oral proceedings before the arbitration tribunal (hereinafter the "Pleading") and in preparations for oral proceedings before the arbitration tribunal. In the event of a change to this person during the Dispute the Law Firm must immediately inform the Mandator and propose a replacement person who fulfils the same requirements to continue in the activity of his predecessor, while this change must always be approved by the Mandator expressly and in advance.

[2] Attorneys, senior foreign legal consultants with an experience in international arbitration of at least 5 years.

2.4. The Law Firm agrees that the Leading Counsel will participate at least 10% (ten per cent) in the running of the case (hereinafter the "Quota"). The fulfilment of the Quota will be determined by the total number of hours in a calendar month genuinely invested by the Law Firm in the legal representation pursuant to Article 3 of this Agreement. With regard to a calendar month in which there is oral proceedings and Pleading, the Quota will not be calculated for the months immediately preceding and immediately following that month, and failure to comply with it in these months will not be considered a breach of the Agreement.

2.5. With the exception of the provisions of Article 2.3 and 2.4 of this Agreement, the personnel composition of the team of the Law Firm may be changed at any time as the Law Firm sees fit. The Mandator will be informed about any eventual changes in a timely manner. The team of lawyers of the Law Firm may be expanded to include a third party (for example an expert, external advisor) if required for the provision of the legal services. The Law Firm is further entitled to engage a law firm or an attorney providing legal services abroad[3] (i.e. foreign counsel) or in the territory of the Czech Republic (i.e. local counsel). The hourly rates for these lawyers are listed in the Annex to this Agreement. The Law Firm is only authorised to perform such expansion of the team of lawyers by such third party after prior discussion with the Mandator and on the basis of its express agreement.

2.6. If there is a significant change to the subject of the Dispute as a result of a change in the legal arguments of the counterparty or a change in factual circumstances relating to the Dispute, for example the appearance of factual circumstances, documents or elements of legal qualification of the case that the Mandator had not previously been aware of, the Law Firm may deviate from the provisions of Article 2.2 to 2.4 in a manner specified in a prior express agreement with the Mandator.

2.7. The Law Firm will further secure, at the cost of the Mandator, translations of documents relating to the Dispute indicated in Article 1.1, where the Mandator requests such translation, or when a translation must be submitted to the body deciding in the Dispute indicated in Article 1.1.

2.8. The Law Firm will secure interpreting services at the cost of the Mandator upon its request.

2.9. Interpreter services for oral proceedings before an arbitration tribunal are not included in the interpreting services arranged in the annex to this Agreement. These interpreting services will be secured if needed by the Law Firm after obtaining prior written agreement from the Mandator.

2.10. The Contracting Parties have agreed on the following contact persons and correspondence addresses:

Law Firm

(identification of the law firm),

contact persons:

Mandator

Czech Republic – Ministry of Finance
Letenská 15
118 10 Prague 1

tel.: 257 041 111
fax: 233 373 034

contact persons:

2.11. If either of the Contracting Parties intends to change its correspondence address or any of its contact persons, it must notify the other Contracting Party of this fact in writing without delay.

2.12. The Mandator will only issue all its instructions in this matter to the Law Firm through the contact persons indicated in Article 2.4. The Law Firm is authorised to require that the relevant contact person of the Mandator provides written confirmation of an issued instruction, and the Mandator agrees to confirm an instruction it issues in writing without undue delay.

[3] The Law Firm or the branch of the Law Firm has a seat, or the attorneys are authorized to provide legal services in the following jurisdictions – Austria, France, Canada, Germany, Switzerland, the United Kingdom, the United States of America.

Article 3. Remuneration for the provision of legal services, costs and expenses

3.1. Before performing the individual tasks the Law Firm must provide to the Mandator an estimate of the number of hours the task in question will take, and this estimate will be subject to agreement by the Mandator. In case the Mandator does not provide comments to this estimate within 2 working days, it is presumed that the consent to this estimate was given, however it is precluded to subsequently exceed this estimate by over 10%.

3.2. For the provision of the legal services within the scope as indicated in Article 1, the Mandator agrees to pay the Law Firm contractual remuneration at an amount corresponding to the work genuinely performed, and this on the basis of hourly rates stipulated separately for partners, attorneys and/or senior foreign legal consultants and advocate trainees, legal assistants and interns. These hourly rates are indicated in the annex to this Agreement (hereinafter the "Remuneration for Legal Service Tasks") which forms an integral part of it. Value-added tax will be applied to the Remuneration for Legal Service Tasks in accordance with the relevant legal regulations. Remuneration for lost time will not be provided to the Law Firm.

3.3. The total amount billed by the Law Firm for the monthly services provided pursuant to this Agreement shall not exceed the monthly financial limit set forth in the annex to this Agreement (hereinafter "**cap**"). In case of unexpected circumstances which will require broader scope of performance pursuant to this Agreement, the Contracting Parties may agree on raising the cap by a written amendment to this Agreement. In case the total amount billed by the Law Firm for the monthly services does not reach the cap, the Law Firm is entitled to transfer the unbilled amount of the cap to the following months, and such transfer is permissible until the month in which the final award is rendered by the Arbitral Tribunal. The unbilled amount of the cap corresponds to the difference between the cap and the amount of the services billed in a given month which was approved by the Mandator in accordance with Article 3.9 of this Agreement. The translation and interpreting services pursuant to Article 3.5 of this Agreement are not subject to the cap.

3.4. The Remuneration for Legal Service Tasks will be billed by the Law Firm to the Mandator for the genuinely invested time of a partner, attorney and/or senior foreign legal consultant or advocate trainee, respectively an interpreter, with an accuracy to 1/12 hour (meaning for every commenced 5 minutes the Law Firm will be entitled to the Remuneration for Legal Service Tasks, respectively interpreting services, at 1/12 of the hourly rate), and for each standard page of translation prepared by a translator, while 1 standard page will correspond to 30 rows of 60 characters.

3.5. In addition to the Remuneration for Legal Service Tasks, the Law Firm will be entitled to compensation of costs for all translation and interpreting services provided by the Law Firm in connection with the representation of the Mandator. The costs for the interpreting services provided by the Law Firm (or also through third parties) will be *CZK/EUR/USD/GBP* …… without VAT per hour. The costs for translation services provided by the Law Firm (or also through third parties) will be *CZK/EUR/USD/GBP* …… without VAT per standard page, while 1 standard page will correspond to 30 rows of 60 characters.

3.6. If a different number of hours is invested in legal representation than the anticipated scope of the annual performance and volume of services indicated in Article 3.1 and 3.3 of this Agreement, the actual performance will be paid.

3.7. The rate for the Remuneration for Legal Service Tasks and translation and interpreting services pursuant to Article 3.1 and 3.3 of this Agreement is set as the highest permissible price.

3.8. In addition to the remuneration indicated above, the Law Firm is also entitled to the compensation of cash expenses purposefully invested in connection with the provision of the legal services, in particular for court, administrative and other fees and travel expenses incurred for trips abroad (expenses for transport and accommodation at a reasonable price category hotel, not however for food). For the time spent travelling, there is entitlement to remuneration of at most 50% of the hourly rate pursuant to Article 3.1. The expenses will be properly demonstrated through accounting documents and will feature a summary of the relevant items and their comprehensible description and labelling. Value-added tax will be applied to the value of the cash expenses in accordance with the relevant legal regulations. The Law Firm is not entitled to the compensation of travelling expenses incurred for trips within the Czech Republic.

3.9. The remuneration, costs and cash expenses will be paid by the Mandator to the account of the Law Firm on the basis of a tax document issued in *Czech crowns/Euros/US dollars/British pounds* (hereinafter the "**Invoice**"). The Law Firm must regularly invoice the remuneration, including the related costs and cash expenses which shall be invoiced at all times by the fifteenth day of each calendar month for legal services provided in the preceding calendar month. The Law Firm will deliver Invoices to the Mandator for the legal services provided in November by 10 December of each year. Invoices delivered after this date will be paid by the Mandator in January together with Invoices for legal services provided to the Mandator in December. The due date of an Invoice will be 20 working days from the date of delivery of such Invoice to the address of the Mandator indicated in Article 2.4. Payment will be made in *Czech crowns/Euros/US dollars/British pounds*. Settlement will be performed in accordance with the genuine performance. The amount of the invoiced performance will be agreed by both Contracting Parties in advance. The Mandator retains the right to require supplementation and explanation of the breakdown of the provided legal services and, for example, to require corrections of Invoices if they do not correspond to the genuinely provided legal services. In the event of the application of the above conditions the due date of an Invoice will recommence from the date of settlement of the objections. If for any reason a new Invoice

must be issued, a new due date will commence from the date of delivery of this Invoice to the Mandator. Invoices will be sent for the attention of the contact person of the Mandator. The Law Firm will attach to an invoice a breakdown of the provided legal services, including a breakdown of the related costs and cash expenses, containing (i) the date of performance of the individual activities, (ii) a description of the individual activities, (iii) an indication of the time spent on the individual activities, (iv) the names of the people who performed the individual activities, and (v) the amount of the remuneration corresponding to the time spent by the individual people.

3.10. The Mandator is not obligated to provide remuneration for time that partners, attorneys and/or senior foreign legal consultants, advocate trainees, legal assistants and interns spent studying valid legal regulations. The Mandator is also not obligated to provide remuneration for the time spent by members of the team in mutual consultation (consultation is also, for example, understood to mean the multiple revision of individual activities of members of the team of the Law Firm, unless agreed otherwise between the Contracting Parties in writing) or for time spent on administrative activities related to the provision of legal services (for example sorting documentation).

Article 4. Rights and obligations of the Contracting Parties

4.1 The Mandator agrees to inform the Law Firm about all its requirements in connection with the representation indicated above, and about all facts that could have an impact on the provision of the legal services by the Law Firm in this matter.

4.2 The Mandator agrees, pursuant to the instructions of the Law Firm, to secure the necessary documentation that it holds and to take all efforts that can reasonably be required of it to secure documentation held by a different state administration body, and to submit it to the Law Firm, which will return this documentation to the Mandator after the end of the provision of the legal services.

4.3 If so needed, the Mandator agrees to issue to the Law Firm, or potentially to an individual partner, attorney and/or senior foreign legal consultant, power of attorney authorising it to act within the framework of the provision of the legal services pursuant to this Agreement.

4.4 The Law Firm must proceed with due care, protect and promote the rights and justified interests of the Mandator, and comply with its instructions. The instructions of the Mandator are, however, not binding if they are in contradiction with the law or with the relevant professional regulation. It must however provide reasonable notification to the Mandator about such fact.

4.5 The Law Firm is liable to the Mandator for any damage that it causes through breach of its obligations during the provision of the legal services pursuant to this Agreement. The Law Firm is also liable to the Mandator for damage caused to the Mandator by other entities that the Law Firm has familiarised with information relating to the subject of the Agreement, if this damage is connected with the subject of performance of this Agreement.

4.6 The Law Firm agrees that it will inform the Mandator about the course of the Dispute and about meetings with other entities in connection with the Dispute. Communication between the Mandator and the Law Firm will be performed in the Czech or English language.

Article 5. Handling information

5.1 The partners, attorneys and/or senior foreign legal consultants of the Law Firm, advocate trainees, its workers and co-workers must maintain confidentiality regarding all facts that they learn of in connection with the provision of the legal services pursuant to this Agreement, including after the termination of the Agreement, within the framework of legal ethics and the provisions of Act No 85/1996, on advocacy, as amended/relevant rules on advocacy applicable in the jurisdiction of the provider of legal services.

5.2 The Mandator agrees that without the prior written agreement of the Law Firm it will not inform or otherwise make accessible to other entities, in particular journalists, the media and other state bodies, any information relating to this Agreement over and above an obligation arising from the law. The Contracting Parties will arrange the scope in which third parties, in particular the media, pursuant to Act No 106/1999, on free access to information, as amended, will be informed about the course and development of the Dispute and potential arbitration proceedings. The Contracting Parties agree that they will coordinate and consult the content of official declarations in advance before their performance.

II. Article 6. Conflict of interest

6.1 The Law Firm agrees that none of its partners, attorneys or senior foreign legal consultants, or advocate trainees who participate in the provision of legal services pursuant to this Agreement within a scope exceeding 80 hours, will not provide legal services or any aid, including advisory and expert services, to any client in dispute with the Czech Republic pursuant to the Agreement for the Promotion and Protection of Investments during the time of legal representation of the Mandator.

6.2 The Law Firm agrees that if any of its partners, attorneys or senior foreign legal consultants, or advocate trainees breaches this obligation, it will pay the Ministry of Finance a contractual penalty of CZK 10 million. This will have no effect on the right of the Ministry of Finance to seek compensation.

Article 7. Withdrawal from the Agreement

7.1. The Mandator can withdraw from the Agreement at any time. A reason for withdrawal from the Agreement may be in particular a breach of any provision of this Agreement, a breach of the provisions of Article 2.3 and 2.4, 4.6 and a breach of the provisions of Article 4.4, 4.7 and Article 5 and Article 6 of this Agreement. In the event of withdrawal from the Agreement the Mandator must pay the Law Firm the proportionate part of the remuneration corresponding to the scope of legal services provided, and provide compensation for cash expenses incurred.

7.2. The Law Firm is authorised to withdraw from the Agreement (i) in the event of a breach of the essential trust between it and the Mandator, (ii) if the Mandator does not provide the necessary cooperation, or (iii) if the Mandator is in default with the payment of any Invoice issued by the Law Firm pursuant to this Agreement by a period of over 60 calendar days from delivery of a due Invoice to the Mandator in accordance with Article 3.7. The Law Firm must, however, perform all urgent tasks for a period of 30 days from the date of delivery of written notification of withdrawal from this Agreement to the Mandator unless the Mandator takes other measures.

7.3. With the expiration of this Agreement the validity of powers of attorney granted within the framework of this Agreement in connection with the provision of the indicated legal services will also expire.

Article 8. Dispute resolution

8.1 All disputes that arise in connection with this Agreement and/or arising from it, which cannot be settled through agreement between the Contracting Parties, will be presented to the relevant court of the domicile of the defending party for judgment.

Article 9. Final provisions

9.1 The relationship between the Law Firm and the Mandator is subject to the provisions of *Act No 85/1996, on advocacy, as amended/ relevant rules on advocacy applicable in the jurisdiction of the provider of legal services* and the provisions on mandate agreements contained in *Act No 89/2012, the Civil Code, as amended/the relevant substantive rules on mandate agreements applicable in the jurisdiction of the provider of legal services*.

9.2 During the provision of the services, the Law Firm will proceed in accordance *with the body of laws of the Czech Republic and with the applicable regulations of the Czech Bar Association/the body of law of the jurisdiction of the provider of legal services and with the applicable regulations of the relevant Bar Association.*

9.3 This Agreement has been prepared as two original counterparts, one for each Contracting Party.

9.4 This Agreement can be amended and supplemented only through written amendments signed by both the Contracting Parties.

9.5 The Contracting Parties declare that this Agreement is an expression of their true and free wills and that they have familiarised themselves with its text, which they have confirmed with the application of their signatures.

9.6 This Agreement will become valid and effective on the date it is signed by the Contracting Parties.

Prague, _____

_____

Prague, _____

Czech Republic – Ministry of Finance

_____

Ing. Andrej Babiš

Minister of Finance

Annex

Hourly rates for legal and interpreting services and the rate for translations:

Foreign counsel:	
Partners	*CZK/EUR/USD/GBP* …….. /hour without VAT
Attorneys, senior foreign legal consultants[4]	*CZK/EUR/USD/GBP* …….. /hour without VAT
Advocate trainees, legal assistants and interns participating in the provision of legal services by the Law Firm[5]	*CZK/EUR/USD/GBP* ……..… /hour without VAT
Local counsel:	
Partners	*CZK/EUR/USD/GBP* …….. /hour without VAT
Attorney, senior foreign legal consultants	*CZK/EUR/USD/GBP* …….. /hour without VAT
Advocate trainees, legal assistants and interns participating in the provision of legal services by the Law Firm	*CZK/EUR/USD/GBP* ……..… /hour without VAT
Cap	*CZK/EUR/USD/GBP* ……..… / without VAT
Interpreters	*CZK/EUR/USD/GBP* …….. /hour without VAT
Translators	*CZK/EUR/USD/GBP* ……/standard page without VAT

[4] Attorneys, senior foreign legal consultants with an experience in international arbitration of at least 5 years.

[5] In case a person working as an advocate trainee, legal assistant or intern has not yet concluded its legal studies (has not yet obtained a law degree), the amount billed for the services of this person is diminished by 30 % of the hourly rate.

Annex No. 2

The conduct and rules of the sessions with more candidates (Rules of Procedure)

In the course of the negotiated procedure and pursuant to Section 34(2)(e) of the Act No. 137/2006 Coll., on public procurement (hereinafter „the Act")

1. General provisions

1.1. The Contracting Authority has sent the call for participation in a public tender in a negotiated procedure without publication with more candidates in accordance with Section 34(1) of the Act.

1.2. The session with all candidates will be held at the premises of the Contracting Authority – Ministry of Finance, Letenská 15, Praha 1.

1.3. After each session with candidates, the protocol is prepared and is signed by respective representatives of the candidates.

1.4. The Contracting Authority is at all times represented by the persons it authorized to act on its behalf (hereinafter "the Committee").

1.5. The respective representatives of the candidates shall present their valid authorisation to act on behalf of the candidate.

1.6. During the session with candidates, it is possible to communicate the conditions and/or proposals made by any candidate to other candidates only upon the previous consent of this candidate.

1.7. The consent of the candidate regarding the communication of their conditions or proposals to other candidates shall be given in writing and subsequently it will be attached to the minutes of the session.

1.8. During the course of the sessions, the performance of the public contract may be further specified in accordance with Section 34(4) of the Act provided that the protection of the confidential or business information is preserved.

1.9. The session shall not at any time be attended by any third party, the general public or any person other than representatives authorized to act on behalf of the candidates or the Contracting Authority.

2. First session

2.1. The first session attended by the representatives of the candidates and the Contracting Authority will be held pursuant to part IV. of the Call for participation. The session will take place at the premises of the Ministry of Finance, Letenská 15, 118 10, Praha 1 **on 24 October 2014 at 9:00 a.m** in the Meeting room No. 422/C. The representatives of the candidates shall meet at 8:55 a.m. at the reception.

2.2. The Contracting Authority will inform the candidates about the subject and agenda of the public procurement contract, the organization of the procurement proceedings and the evaluation of the bids in the beginning of the session, after the registration of the candidates.

2.3. The candidates shall sign the declaration stating they agree with the communication of their proposed bid price, or conditions or their other proposals to other candidates.

3. Second session

3.1. After the conclusion of the first joint session held with all candidates, the second session will be held separately with each candidate and will take place in the meeting room Zimní zahrada – Winter Garden. The sessions will be organized in an alphabetical order.

3.2. The candidates will inform about their bid price proposals in writing (monthly financial limit, hourly rate – partners, attorneys and senior foreign legal consultants, advocate trainees, legal assistants and interns).

3.3. After the presentation of the candidates' bid price proposals, the Committee will prepare a chart listing all proposals in a descending order.

4. Third session

4.1. The third joint session with all candidates will be held in the Meeting room No. 422/C, after all separate sessions with candidates are concluded.

4.2. The representative authorized by the Contracting Authority will inform the candidates about the bid price proposals of other candidates, as well as about the ranking of the proposed bids (pursuant the calculation as specified in Section III.d).

4.3. The conditions for preparation and delivery of the bid price proposals, including the opening of the envelopes with the bids, are stipulated in Section VII. of the Call for participation.

4.4. The representative authorized by the Contracting Authority will inform the candidates about the time for submission of the bid proposal (hour) and time of the opening of the envelopes with the bids proposals (hour).

4.5. Based on the documents and information provided, the candidates will prepare their bid proposals.

5. Submission of bids, opening of the envelopes with the proposals

5.1. The candidates will submit the envelopes with bid proposals in person at the mail room of the Ministry of Finance, Letenská 15, 118 10, Praha 1 – Door No. 84a/B.

5.2. The opening of the envelopes with the bid proposals will take place on 24 October 2014 in the Meeting room No. 422/C in time previously specified during the third session (point 4.4. of this Rules of Procedure).

5.3. The Committee will open the envelopes with the bid proposals in accordance with the Section 71 of the Act.

6. Conclusion

6.1. The Committee will prepare the Record from the course and results of the proceedings in a negotiated procedure without publication. The Record will then be published and passed to the Contracting Authority.

6.2. The Contracting Authority will decide on the most advantageous proposal.

6.3. After the elapse of the necessary statutory time limitations, the Contracting Authority will enter into the contractual relationship with the successful candidate.